

12 In Re:) Docket No. 3:17-BK-3566 (LTS)
13)
14) PROMESA Title III
The Financial Oversight and)
Management Board for)
Puerto Rico,) (Jointly Administered)
15)
as representative of)
16)
The Employees Retirement)
17 System of the Government)
of the Commonwealth of)
18 Puerto Rico,)
19)
Debtors,)

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2
3 In Re:) Docket No. 3:19-BK-5523 (LTS)
4)
5) PROMESA Title III
6 The Financial Oversight and)
Management Board for)
Puerto Rico,) (Jointly Administered)
7 as representative of)
8 The Puerto Rico Public)
Buildings Authority,)
9 Debtors,)
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12 FURTHER DISCLOSURE STATEMENT HEARING
13 BEFORE THE HONORABLE U.S. DISTRICT JUDGE LAURA TAYLOR SWAIN
14 UNITED STATES DISTRICT COURT JUDGE
15 AND THE HONORABLE U.S. MAGISTRATE JUDGE JUDITH GAIL DEIN
16 UNITED STATES DISTRICT COURT JUDGE
17

18 APPEARANCES:

19 ALL PARTIES APPEARING TELEPHONICALLY

20 For The Commonwealth
21 of Puerto Rico, et al.: Mr. Martin J. Bienenstock, PHV
Mr. Brian S. Rosen, PHV
22 Ms. Laura Stafford, PHV
Mr. Steven Ma, PHV

23 For Puerto Rico Fiscal
24 Agency and Financial
Advisory Authority: Mr. John Rapisardi, PHV
25

1 APPEARANCES, Continued:
2

3 For The Official
Committee of Retired
4 Employees: Mr. Robert Gordon, PHV

5 For Peter Hein: Mr. Peter Hein, Pro Se

6 For AmeriNational
Community Services: Mr. Nayuan Zouairaban, Esq.
7 Mr. Arturo J. Garcia Sola, Esq.

8 For Cantor-Katz
Collateral Monitor: Mr. Douglas Mintz, PHV
9

10 For Financial Guaranty
Insurance Company: Mr. Martin A. Sosland, PHV

11 For Ambac Assurance
Corporation: Ms. Atara Miller, PHV

13 For U.S. Bank Trust
14 National Association: Mr. Ronald J. Silverman, PHV

15 For Suiza Dairy Corp.: Mr. Rafael A. Gonzalez Valiente, Esq.

16 For Finca Matilde: Mr. Eduardo Capdevila Diaz, Esq.

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24 Proceedings recorded by stenography. Transcript produced by
CAT.

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	I N D E X	
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2	WITNESSES:	
3	None.	
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5	EXHIBITS:	
6	None.	
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1 San Juan, Puerto Rico

2 July 29, 2021

3 At or about 10:30 AM

4 * * *

5 THE COURT: Good morning. This is Judge Swain
6 speaking.

7 MS. NG: Good morning, Judge. This is Lisa, your
8 courtroom deputy. Everyone is here.

9 THE COURT: Thank you. Would the courtroom deputy in
10 San Juan please announce the case?

11 COURTROOM DEPUTY: Good morning, Your Honor.

12 The United States District Court for the District of
13 Puerto Rico is now in session. The Honorable Laura Taylor
14 Swain presiding. Also present, Magistrate Judge Judith Dein.
15 God save the United States of America and this Honorable
16 Court.

17 *In re: The Financial Oversight and Management Board*
18 *for Puerto Rico, as representative of the Commonwealth of*
19 *Puerto Rico, et al.,* in Case Nos. 17-BK-3283, 17-BK-3566, and
20 19-BK-5523.

21 THE COURT: Thank you, Ms. Tacoronte.

22 Buenos dias, and welcome, counsel, parties in
23 interest, and members of the public and press. Today's
24 hearing is a continuation of the hearing that began on July
25 13th and 14th, 2021, concerning the Oversight Board's request

1 for approval of a Disclosure Statement for the Title III Joint
2 Plan of Adjustment of the Commonwealth of Puerto Rico, the
3 Employees' Retirement System of the Government of the
4 Commonwealth of Puerto Rico, and the Puerto Rico Public
5 Buildings Authority, as well as discovery and solicitation
6 procedures, deadlines, submission requirements, and hearing
7 dates related to the Disclosure Statement and the proposed
8 Plan of Adjustment. The Disclosure Statement now before the
9 Court is the Amended Disclosure Statement for the Sixth
10 Amended Plan of Adjustment.

11 To ensure the orderly operation of today's telephonic
12 hearing, all parties on the line must mute their phones when
13 they are not speaking. If you are accessing these proceedings
14 on a computer, please be sure to select "mute" on both the
15 Court Solutions dashboard and your phone. When you need to
16 speak, you must unmute on both the dashboard and the phone.

17 I remind everyone that consistent with court and
18 judicial conference policies and the orders that have been
19 issued, no recording or retransmission of the hearing is
20 permitted by any person, including but not limited to the
21 parties, members of the public, and members of the press.
22 Violations of this rule may be punished with sanctions.

23 I will be calling on each speaker during the
24 proceedings. When I do, please identify yourself by name for
25 clarity of the record. After the speakers listed on the

1 Agenda for today's matters have spoken, I may provide an
2 opportunity for other parties in interest to address briefly
3 any issues raised during the course of the presentations that
4 require further remarks.

5 If you wish to be heard under these circumstances,
6 please state your name clearly at the appropriate time. Don't
7 just use the wave feature on the Court Solution dashboard,
8 because you might not be noticed. I will call on the speakers
9 if more than one person wishes to be heard.

10 Please do not interrupt each other or me during the
11 hearing. If we interrupt each other, it is difficult to
12 create an accurate transcript of the proceeding, but having
13 said that, I apologize in advance for breaking the rule,
14 because I may interrupt if I have questions. If anyone has
15 any difficulty hearing me or another participant, please say
16 something right away.

17 The Agenda, which was filed at docket entry no. 17567
18 in case no. 17-3283, is available to the public at no cost on
19 Prime Clerk for those who are interested. I encourage each
20 speaker to keep track of his or her own time allotment. The
21 Court will also be keeping track of the time, and will alert
22 each speaker when there are two minutes remaining with one
23 buzz, and when time is up, with two buzzes.

24 Here is an -- Ms. Ng, what happened there? Ms. Ng,
25 can you still hear me?

1 MS. NG: Yes, I can still hear you.

2 THE COURT: All right. Ms. Tacoronte, can you still
3 hear me?

4 COURT REPORTER: Yes, Judge. Good morning. We can
5 hear you.

6 THE COURT: All right. I think I heard the voices
7 from San Juan there.

8 Mr. Rosen, from Proskauer, can you hear me? Please
9 unmute and say something.

10 MR. ROSEN: Yes. Yes, Your Honor. I can hear you.

11 THE COURT: All right. Then it seems that our
12 connections weren't interfered with by whatever happened.

13 So, now here is an example of the buzz sound.

14 (Sound played.)

15 THE COURT: If your allocation is two minutes or
16 less, you will just hear the final double buzz.

17 This morning we are scheduled to proceed from now
18 until 12:30 in the afternoon. If we take any breaks, I will
19 direct everyone to disconnect and dial back in at a specified
20 time.

21 In light of the filing of the Sixth Amended Plan of
22 Adjustment and the Sixth Amended Disclosure Statement on
23 Sunday, I now invite counsel for the Oversight Board to
24 provide an overview of the amendments and the associated
25 settlements with Ambac and FGIC that are reflected in those

1 documents.

2 MR. ROSEN: Thank you very much, Your Honor. This is
3 Brian Rosen from Proskauer Rose. With me is Mr. Martin
4 Bienenstock, and also on the phone from Proskauer with
5 potential speaking roles are Ms. Laura Stafford and Steven Ma,
6 for items which are a little farther down on the Agenda.

7 Your Honor --

8 THE COURT: Good morning.

9 MR. ROSEN: Your Honor, first I'd like to thank you
10 for your granting of the urgent motion last week and the
11 extension by two days. Those two days were extremely
12 necessary for us to finish the documentation of the -- what's
13 referred to as the PRIFA Related Plan Support Agreement and
14 the Sixth Amended Plan, as well as the corresponding
15 Disclosure Statement.

16 I would like to also thank the FGIC and Ambac teams
17 led by Martin Sosland and Atara Miller, respectively, for
18 their assistance in helping us get to that point, and getting
19 to that point very cooperatively, and because it was a very
20 seamless effort on all parts. And we were able to achieve
21 something, which I believe, Your Honor, every day brings us
22 closer and closer to a total consensus in the case, and the
23 FGIC and Ambac Plan Support Agreement is a key component of
24 it.

25 With that, Your Honor, we are going to be able to

1 complete or resolve the revenue bond litigation that is out
2 there, and that, as you know, Your Honor, is currently
3 scheduled for hearing in September. There would be additional
4 filings, but with that, Your Honor, we're not going to be
5 making those additional filings, as all the parties have now
6 requested a stay of those proceedings.

7 Pursuant to the Plan Support Agreement, Your Honor,
8 there will be certain amounts paid by the Commonwealth on
9 account of the PRIFA bond claims. And specifically, Your
10 Honor, there will be a Rum Tax CVI that will be issued as part
11 of the Plan, as well as a cash component of approximately 193
12 million dollars.

13 That will be deposited into a PRIFA trust, along with
14 the clawback CVI that is already, or was already included in
15 the Plan. Those will be all deposited into a PRIFA trust, and
16 that will break, Your Honor, upon the satisfaction of certain
17 distribution conditions, including an order being entered
18 either in connection with a Title III for PRIFA, or a Title VI
19 qualifying modification.

20 I say the "or", Your Honor, but pursuant to the Plan
21 Support Agreement that was entered into, both Ambac and FGIC
22 have a deadline to propose to the Oversight Board a Title VI
23 qualifying modification consistent with the terms of the Plan
24 Support Agreement. That, Your Honor, would probably be
25 connected to a corresponding Title VI proceeding for CCDA,

1 because we understand that the monoline insurers would prefer
2 that as well.

3 And all of those, Your Honor, would be done at the
4 same time, to bring about a contemporaneous approval and
5 closure of the Commonwealth Title III case, the PRIFA Title VI
6 Qualifying Modification, and the CCDA Title VI Qualifying
7 Modification.

8 We feel comfortable, Your Honor, with respect to
9 those latter two. CCDA is a situation where 100 percent of
10 the bonds are subject to monoline support and, therefore, we
11 know that we will have approval of that Qualifying
12 Modification by the pool that will be put together.

13 Likewise, in connection with PRIFA, Your Honor, we
14 have over a majority already of those bonds who will be
15 supporting a Title VI, and so we are very hopeful that the
16 balance of those that vote will help us get approval of that
17 Title VI Qualifying Modification for PRIFA.

18 Your Honor, with that, that is the bulk of what the
19 change is, and that was incorporated into the Sixth Amended
20 Plan. There are a few other items that will need to be
21 modified in the Title VI Plan. And specifically, Your Honor,
22 subsequent to the filing of it, we've received a lot of
23 informal communications from people who said, Brian,
24 Mr. Rosen, could you please -- I'm sorry, Title III Plan --
25 excuse me. The Sixth Amended Plan. It was asked, you know,

1 could you please make this corresponding change or that
2 corresponding change. And we are cataloging all of those,
3 Your Honor, and we will make those.

4 Just an example of those, Your Honor, would be in
5 connection with Section 72.4 of the Plan, which is the FGIC
6 treatment of claims pursuant to the Plan, there have been
7 suggested changes that we have agreed to with FGIC, as well as
8 certain holders of FGIC-related bonds, and we will make that
9 change.

10 Section 92.2(e) of the Plan deals with the federal
11 claims limitation for release, and we've received
12 communications from the DOJ, the IRS, and the EPA to make
13 certain changes, and we will be doing that.

14 There was a slight blip in connection with the
15 definition of the CW General Unsecured Claims, and we've
16 worked that out with the Unsecured Claims Committee. And
17 we'll be making a modification there.

18 In connection with the dairy producers, Your Honor,
19 I'm happy to report that last evening we reached an agreement
20 with one of the two dairy producers on a modification to the
21 treatment, and we are currently awaiting a response from the
22 second dairy producer. But due to the Peruvian Independence
23 Day holiday, we are unable to get word back from their -- the
24 company, the principals, at this point in time. And I know
25 that Suiza's counsel is on the phone, and they will be making

1 a very short statement on the record.

2 So with that, Your Honor, we are left with just the
3 five responses -- I'm sorry.

4 THE COURT: May I just -- I just have a question.
5 With these, you know, modifications, will you make
6 corresponding -- well, are they ones that will call for
7 corresponding changes in the text of the Disclosure Statement?
8 Is it your representation that they are modifications that,
9 you know, would not be -- that would have a material effect on
10 disclosures as to other parties?

11 MR. ROSEN: Yes, Your Honor. Some of these were
12 already reflected in the Omnibus Reply that we filed last
13 evening, in the change pages that were annexed to that Omnibus
14 Reply. None of these changes are in any way a material
15 change. They are actually just clarifications.

16 The only change that actually goes to the treatment
17 of claims would be the dairy producers, and, specifically,
18 what we have been discussing with VTM, which is one of the
19 two, and Suiza, which we are waiting word back, would be a
20 reduction of the timeframe for a payout on the claim from five
21 years to three years, Your Honor. But, again, that would not
22 represent in any way a material modification. These are
23 really just -- the balance of them are just clarifications
24 that we will make.

25 We've chosen not to burden the Court with another

1 version prior to this hearing, Your Honor, because we wanted
2 to understand whether or not there would be any additional
3 changes that the Court would request us to make, and that we
4 would include those in a global modification of the Plan, as
5 well as Disclosure Statement, and affix that form of
6 Disclosure Statement then to any order that the Court would
7 enter approving the form of the Disclosure Statement.

8 THE COURT: Thank you for making that clear.

9 Does the current Sixth Amended Plan agreement with
10 Ambac include resolution of the bankruptcy clause uniformity
11 litigation?

12 MR. ROSEN: It will, Your Honor, yes.

13 THE COURT: I had interrupted you, so --

14 MR. ROSEN: Your Honor, what that does is it takes us
15 to the few responses that had been interposed to the amended
16 Disclosure Statement. As the Court knows, pursuant to your
17 Order, parties had until 12:00 noon yesterday to file either a
18 response or an objection to the language that was in the
19 amended Disclosure Statement.

20 There were several responses filed. One was by
21 Ms. Rosario in connection with Vieques, and it was truly a
22 recommendation, Your Honor, consistent with what she had been
23 informing us about last week. My understanding is that
24 Ms. Rosario is unavailable to be on the phone today, but I
25 don't think that is anything that we need to address in

1 connection with the Disclosure Statement itself.

2 There were -- there was a response filed by Suiza
3 Dairies, and that was with respect to the reiteration of the
4 reservation of rights in connection with the takings claims
5 arguments that they had. And there was a similar filing made
6 by Finca Matilde. Both of those, Your Honor, were
7 reiterations of issues that had been argued by Mr. Bienenstock
8 at last week's hearing, and were subject to the Court's
9 determination that they were not issues that would stand in
10 the way of approval of the Disclosure Statement, and, rather,
11 would be items that would be taken up at the time of
12 confirmation.

13 So, Your Honor, I know that both counsel are on the
14 phone, and they can state their position, but our position,
15 Your Honor, is that those have already been dealt with once
16 already, and should be taken up with -- the result of that
17 should be the same as at the prior hearing, Your Honor, which
18 is, matters to be dealt with at confirmation.

19 There was also a reply filed by the DRA parties, and
20 they had requested certain language to be inserted into the
21 Disclosure Statement to make clear that the positions that
22 were being taken in the Disclosure Statement itself were the
23 positions of the Oversight Board and not fact or law. And
24 that they wanted to have a corresponding position stated that
25 they disagreed with that.

1 And as reflected, Your Honor, in the sheets that were
2 annexed to the Omnibus Reply, we have inserted the language,
3 or we will formally insert when we refile the Disclosure
4 Statement the language that the DRA parties requested. And we
5 believe that that has been taken care of.

6 There was a reservation of rights that was also filed
7 by Assured, but as I said, Your Honor, it was purely a
8 reservation of rights, and there was nothing to be responding
9 to there.

10 The last item that was filed was an objection by
11 Mr. Hein, who wanted to point out a few things that he
12 believed had not been addressed in the amended Disclosure
13 Statement. We believe, your Honor, that we have included
14 those items, and we set forth in the chart, which is annexed
15 to the Omnibus Reply that we filed yesterday, a response to
16 each and every one of Mr. Hein's comments.

17 The only thing I would note, Your Honor, is that one
18 of the things that Mr. Hein asked for yesterday, and it was
19 really a repeat of his prior request, was a much more complete
20 chart that shows the actual recoveries that are going to be
21 made by holders of Commonwealth Bonds, whether they be in one
22 class or another.

23 We have now finished that chart, Your Honor, and
24 although that was not included in the materials that we filed
25 yesterday, because it was still in the process of preparation,

1 we will be including that either in the formal text of the
2 Disclosure Statement, or as part of an exhibit to the
3 Disclosure Statement. So Mr. Hein's last request will be
4 taken care of, Your Honor, as part of that filing.

5 THE COURT: So will that chart be formatted so that
6 it is showing the distributions per a round number, as he put
7 it, of par value, basically, as a proxy for showing what a
8 small bondholder would actually get for that small bondholder
9 type of holding of the --

10 MR. ROSEN: Yes, Your Honor, it would be.

11 THE COURT: Thank you.

12 MR. ROSEN: With that, Your Honor, I don't think that
13 there's anything more that I need to respond to at this point
14 in time. I will let -- if you want Mr. Hein to address
15 things, and then we can -- I and Mr. Bienenstock can respond
16 after the fact, to the extent that anybody makes any
17 additional comments.

18 THE COURT: Well, I do have a couple of more
19 questions for you that relate, actually, to Mr. Hein's
20 submission. So you may be able to at least clarify some of
21 the responses for me, and that may or may not help with
22 Mr. Hein's own remarks.

23 So, first, in my July 16th Order, I required
24 supplementation to include an explanation of any effect on the
25 marketability of the bonds arising from the distribution of

1 multiple bond issues to investors. In your reply chart, you
2 quoted language that offers a rationale for the distribution
3 of multiple maturities.

4 Is there disclosure language addressing the effect of
5 fractional distributions of multiple maturities in respect of
6 the existing maturities?

7 MR. ROSEN: Well, Your Honor, we did include -- and I
8 appreciate the fact that you've had an opportunity to review
9 the chart. If you see, on the subsequent page, we try to
10 address the fractional -- or the fractional aspect of it with
11 the second insert there, and the need for differing
12 maturities, and, therefore, having differing bonds, and,
13 therefore, people getting smaller pieces of those bonds,
14 rather than one giant bond like Mr. Hein was requesting us to
15 do.

16 THE COURT: Yes. I saw that you did include in that
17 second excerpt an explanation of, again, the rationale for
18 taking someone across the potential pars and maturities --

19 MR. ROSEN: Right.

20 THE COURT: -- rather than doing one particular bond.

21 Is there anything that you believe you can or would
22 say about the difference to someone in terms of going to the
23 market and trying to sell these things between selling one
24 bond and having to sell multiple smaller bonds? For example,
25 transaction costs may differ, or anything along those lines?

1 It seemed to me that was what Mr. -- at least as I
2 understood Mr. Hein on this, this is the sort of thing he was
3 looking for, what could happen as opposed to why is this
4 happening, which he also asked, why is this happening, but --

5 MR. ROSEN: Your Honor, it's -- I mean, obviously the
6 marketability of the bonds is not something we can
7 specifically address. You're right, there might be a
8 transaction cost if, in fact, somebody does have multiple
9 pieces of bonds, but the fact is that we need to issue the
10 multiple bonds themselves.

11 We thought one of his main concerns based upon the
12 fractionality was actually one of the aspects of the rounding
13 down, and we tried to show that that was --

14 THE COURT: I have another question about that.

15 MR. ROSEN: Yes. We tried to show, Your Honor, the
16 effect of that. There's a difference between what we're doing
17 here and what we did in COFINA. There the denominations that
18 were issued, Your Honor, were much greater. I believe they
19 were one thousand or greater, and here we've -- to try to take
20 into account the concern that Mr. Hein and others expressed
21 previously was, we're doing denominations of one dollar.

22 So the effect of rounding down is de minimis. And
23 what we tried to show is, at most it could be -- I think it
24 was 13 dollars was what we reflected in the chart that we
25 included, Your Honor.

1 So we can't really say what the marketability could
2 be. There might be, obviously, a result and effect of selling
3 a smaller piece, but we are limited as far as what we can do
4 based upon the maturities that we're doing them, that we are
5 issuing. And the fact is that we do have to issue multiple
6 bonds in order to satisfy the distribution scheme that is laid
7 out.

8 THE COURT: Thank you.

9 Now, I have on the Agenda remarks by supporting
10 parties before remarks by objecting parties, and so I have
11 five minutes for Ambac's representative, and then five minutes
12 for FGIC's representative. I would propose to follow the
13 Agenda, and then call on the objecting parties, and then come
14 back to the movant.

15 Any objection to that, Mr. Rosen?

16 MR. ROSEN: No, Your Honor. The only thing I would
17 say is at some point I'd like to come back to Mr. Bienenstock
18 to add something to the record. If you wanted to do that now
19 or later, please let us know.

20 THE COURT: Now would be fine.

21 MR. ROSEN: Okay.

22 MR. BIENENSTOCK: Thank you, Your Honor. This is
23 Martin Bienenstock for Proskauer Rose for the Oversight Board.

24 THE COURT: Good morning, Mr. Bienenstock.

25 MR. BIENENSTOCK: Your Honor, I just wanted to

1 address the addition we've made to the Disclosure Statement at
2 Your Honor's direction concerning what was referred to at the
3 last hearing as plan B.

4 As everyone has had an opportunity to see, the
5 Oversight Board has provided many so-called plan Bs that would
6 be possible if the government does not provide the legislation
7 required by the Plan Support Agreement with GO creditors. And
8 I'm not going to repeat it all now. It's not the purpose of
9 why I needed to take a few minutes to refer to this. But we
10 provided a host of legal authorities for proceeding without
11 legislation, and we also, in the course of our research and
12 investigation, discovered that the Commonwealth has actually
13 enacted legislation back in 1944, which legislation authorizes
14 refinancings of general obligation debt. And the Commonwealth
15 has been using and relying on that legislation in more recent
16 years to issue new debt.

17 And generally, Your Honor, the Oversight Board is
18 confident that while, as we said the last time, we hope to
19 reach an accord with the two houses of the legislature and the
20 Governor to provide the legislation that would be ideal, there
21 are many, many different ways we feel the Plan in effect can
22 be confirmed, whether we accomplish that or not. And we
23 thought that was all good news, and we're still confident that
24 we'll be able to accomplish or satisfy the requirements for
25 confirmation, with or without the legislation.

1 That said, the identification by the Oversight Board
2 of the 1944 legislation caused a concern on behalf of the PSA
3 GO creditors. And the concern that they had was they need to
4 know in advance, from their point of view, whether, if they
5 accept the Plan, the Oversight Board would later contend that
6 if it can't get new legislation from the Commonwealth, that
7 the existing legislation suffices such that their votes to
8 accept, which they are required to provide under the PSA,
9 would be counted as votes to accept the Plan that relies on
10 the 1944 legislation.

11 This, in turn, introduces a fair amount of intrigue
12 and game theory, because there are various scenarios under
13 which the PSA creditors and the Board might want to rely on
14 the 1944 legislation, and there are scenarios under which they
15 wouldn't. And they all, in turn, depend on what the
16 alternatives are.

17 So although the Oversight Board believes that it is
18 not required to say in advance everything that might satisfy
19 the PSA agreement, there is really no reason for the Oversight
20 Board not to advise the PSA creditors, in advance of the
21 deadline for voting, whether the Oversight Board would contend
22 that the 1944 legislation does satisfy the requirement.

23 So the most important thing I want to say on the
24 record, Your Honor, is the Oversight Board will advise the PSA
25 creditors before their voting deadline as to whether we would

1 make that contention. And I just want to reiterate that it's
2 quite possible that when we get to that point where we'll have
3 to advise them, that they may want us to rely on it, or not,
4 or we might want to rely on it, but, in any event, we will
5 tell them, so they will know when they vote whether the
6 Oversight Board would contend that the 1944 legislation
7 satisfies the PSA agreement. And that's the most important
8 point.

9 And subject to any questions the Court has, that's
10 the only point I wanted to add. Again, reiterating that we
11 hope to strike a deal with the government, but it is not
12 essential to ultimate confirmation we believe. And we hope,
13 also, that it -- in any way we end up proceeding to get debt
14 issued under the Plan, we hope the PSA creditors will be on
15 board, because it's obvious to everyone, but just so as not to
16 avoid it, that if they terminate the agreement, then that
17 opens up litigation over their priority. There's risk,
18 there's uncertainty, there's expense to all parties, you know,
19 to the Commonwealth side, the Board side, and the PSA
20 creditors. And I think all parties would like to avoid that,
21 because it could result in either side ending up in a much
22 worse or better situation, but the much worse is the thing to
23 focus on.

24 So bottom line, we will advise the PSA creditors in
25 advance of the voting deadline whether we think the

1 legislation that exists already would satisfy their deal.
2 That does not mean -- now, we might say it does not. We don't
3 believe it will satisfy their deal. And we're going to look
4 at things like whether reputable law firms would opine that
5 that legislation covers the new debt, and its acceptance in
6 the municipal market, and all sorts of relevant
7 considerations. But if we say it doesn't satisfy their deal,
8 I want to be clear, that does not mean that we will not want
9 to rely on it. It will simply mean that they have not
10 accepted the Plan, and we would have to be asking the Court
11 for a cramdown.

12 And in that regard, I also want to point out that the
13 way this plan is being proposed and it's constructed, if the
14 Oversight Board determines at the end of the day that cramdown
15 is necessary in various cases, it may well require that we ask
16 the Court for an adjournment of the commencement of the
17 confirmation hearing, so that we can modify the Plan to
18 provide for one or more cramdowns that we would have to
19 request. We hope things won't get to that, but I did want to
20 flag for the Court that that is a built-in possibility which
21 we disclose in the additions to the Disclosure Statement.

22 So with that, Your Honor, you know, I'd like to
23 respond to any questions the Court has, and if it doesn't have
24 questions, that's all I wanted to say.

25 THE COURT: Thank you, Mr. Bienenstock. I don't have

1 further questions for you on these matters.

2 MR. RAPISARDI: Your Honor, this is John Rapisardi of
3 O'Melveny & Myers for AAFAF. May I be heard for a couple
4 minutes on Mr. Bienenstock's comments?

5 THE COURT: Yes, Mr. Rapisardi.

6 MR. RAPISARDI: Thank you, Your Honor. Good morning.
7 This is John Rapisardi of O'Melveny & Myers on behalf of
8 AAFAF.

9 Your Honor, first I would like to thank the Oversight
10 Board for including the government's requested statement
11 regarding its position on the Plan and the Sixth Amended
12 Disclosure Statement.

13 I would also like to congratulate the Board and
14 mediation team on reaching a final agreement with Ambac and
15 FGIC over the last two weeks. Although AAFAF has no further
16 material objections to the amended Disclosure Statement, I do
17 want to make a few brief remarks, especially in light of what
18 Mr. Bienenstock just covered.

19 Your Honor, reviewing the Oversight Board's
20 supplemental disclosure on their plan B to achieve
21 confirmation of a plan without legislation, we are struck by
22 all of the uncharted and novel legal preemption theories
23 advanced by the Board's counsel.

24 Now, at the same time, in dispensing with its
25 expansive preemption argument in an inconsistent and confusing

1 fashion, which quite frankly, Your Honor, has my head
2 spinning, the Board now ties the Plan's fate to legislation
3 passed in -- it's 1942, not 1944 -- and other extraneous laws.

4 It seems as though the Board cannot make up its mind
5 either to completely eviscerate Puerto Rico law through
6 preemption, or instead cherry-pick inapplicable local
7 provisions which questionably gives the Board cover under
8 existing legislation. This uncertain legal and potentially
9 expensive hedge is not what we should be striving for, nor is
10 it what creditors bargained for, or how the successful Puerto
11 Rico restructurings have proceeded to date.

12 And one has to question, Your Honor, if there is a
13 potentially easier way to ensure confirmation through
14 legislation, why does the Board seem so determined in the
15 first instance to take the risky and uncertain path through an
16 overly broad meaning and interpretation of preemption?
17 Perhaps it's because the Board now believes its newly
18 manufactured supplemental disclosure that creditors are
19 definitively better off without legislation, but this post hoc
20 rationalization is very hard to take and understand at face
21 value. After all, as Mr. Bienenstock has alluded to, the
22 Board agreed to allow bondholders the option to terminate the
23 PSA and collect a 100 million dollar fee if legislation is not
24 enacted before confirmation.

25 As we have previously stated, the fact of the matter

1 remains that this plan is built on the progress made in the
2 restructurings of COFINA and GDB, each of which enjoyed
3 enabling legislation and broad support from the government,
4 the Oversight Board, and creditors.

5 This, Your Honor, is the gold standard we should all
6 be striving for, and is the logical foundation upon which a
7 durable solution for Puerto Rico should be built. Over the
8 past four years, at every step of the way, we have heard the
9 Board's mantra that Puerto Rico and its constituencies must
10 live within the parameters or solutions for each major
11 constituency, because of a legitimate concern over the
12 uncertain outcome of litigation concerning highly novel and
13 complex issues and inordinate delay.

14 The government, Your Honor, while believing in the
15 strength of legal arguments asserted against many of these
16 selling parties, agreed with the Board's approach, and
17 actively cooperated with the Board in bringing these
18 settlements to fruition. To date, the settlements achieved
19 with many of the previously objecting parties, which we
20 thought were not possible, is why Puerto Rico is on the
21 threshold of successfully emerging from Title III.

22 Why has not that same practical approach been applied
23 to the interest of the government to protect the most
24 vulnerable in Puerto Rico society, and to the government's
25 proper role in --

1 || (Sound played.)

2 MR. RAPISARDI: -- exercising its government
3 functions?

4 I respectfully submit that the answer to this
5 important question, Your Honor, should be addressed within
6 the confines of a condensed and dedicated negotiation process
7 as promptly as possible, and not left unresolved as a
8 potentially dangerous, lingering uncertainty, which
9 Mr. Bienenstock alluded to earlier. The reality is that
10 pension cuts and freezes are neither necessary nor required as
11 a matter of fundamental fairness. The obligations owed to the
12 pensioners are inherently different than those owed to other
13 creditors.

The retirees have seen their pensions, which they earned through years of prior dedicated service, steadily eroded through the various cost-saving measures over the last 15 years, such as the elimination of cost-of-living adjustments, or freezes of benefits. Indeed, the pensioners have no recourse in the markets to sell their claims at appreciated values and levels, which makes the circumstances of their situation even more precarious.

22 AAFAF and its advisors have closely worked with this
23 Board and its advisors for over four years now in steadily
24 moving these cases forward through extraordinary times and
25 challenges. At the last hearing, while listening to

1 Mr. Bienenstock's unfortunate and desperate attacks on the
2 government, we were given the strong impression that the Board
3 would properly engage with the government in seeking a
4 resolution of the pension-related issues.

5 Other than being dismissively told, in the context of
6 the amended Disclosure Statement, that the government's Title
7 solution that was proposed does not work, no outreach by the
8 Board, Your Honor, since then or its advisors to the
9 government has yet occurred. We disagree with the Board's
10 argument that our Title II solution does not work, and would
11 welcome the opportunity to discuss it, overcome any
12 self-evident challenges.

13 In that regard, Your Honor, the government today is
14 prepared to affirmatively reach out to the Board to advance
15 settlement discussions and resolution of the pension issues
16 that will finally bring these cases to a successful end and
17 benefit the people of Puerto Rico.

18 Thank you, Your Honor.

19 THE COURT: Thank you, Mr. Rapisardi.

20 I do encourage the Board and the government to engage
21 in and continue to engage in good faith discussions.

22 So at this point I will call on Ambac's
23 representative, who has been allotted five minutes.

24 MS. MILLER: Good morning, Your Honor. Atara Miller
25 from Milbank on behalf of Ambac Assurance Corporation.

1 THE COURT: Good morning, Ms. Miller.

2 MS. MILLER: So it's unusual for me to not be among
3 the most passionate people at one of these hearings, but I am
4 happy to be in that position where really all I would say is
5 that, in light of Mr. Rosen's summary of the terms of the
6 agreement that we've reached with the Oversight Board, which
7 was comprehensive and accurate from our perspective, and
8 Mr. Bienenstock's representation that the Board will at least
9 advise creditors in advance of voting whether there will be
10 new legislation, or whether they intend to rely on the
11 existing 1942 statute, I don't have anything to add this
12 morning other than to again thank the Court for your
13 flexibility, and various adjournments of this hearing, and the
14 filing deadlines that gave us the time to reach the agreement
15 and to finalize the documentation. And also to thank the
16 Oversight Board and their cooperation in getting it done in a
17 productive and fairly quick way.

18 So with that, unless Your Honor has any questions
19 that you'd like us to answer, I would cede my time.

20 THE COURT: Thank you, Ms. Miller. I don't have any
21 further questions.

22 So now I will call on Mr. Sosland for FGIC.

23 MR. SOSLAND: Good morning, Your Honor. Martin
24 Sosland of Butler Snow for Financial Guaranty Insurance
25 Company.

1 I join Mr. Rosen and Ms. Miller in thanking the Court
2 for your flexibility in allowing us to reach the bargain that
3 we've reached. And I am pleased to be before the Court today,
4 after four years of hard-fought litigation in this Court,
5 following several years in other courts before the passage of
6 PROMESA, to finally reach the resolution of our debt issues
7 with the Oversight Board. And it was a -- it was a tough,
8 arm's-length negotiation, and we are happy to have reached it,
9 and now to be moving forward arm-in-arm with the Oversight
10 Board and to consummate these deals.

11 I would punctuate one point that Mr. Rosen made in
12 addition to proceeding toward confirmation of the Commonwealth
13 Plan and this Title III case, that we will be moving promptly
14 to proceed under Title VI, with respect to PRIFA and CCDA, to
15 try to keep the resolutions embodied in the various plan
16 support agreements that have been executed, keep those on the
17 same pace with the Commonwealth Plan.

18 Finally, just as a point of information, among the
19 items resolved by the settlements that we've reached are the
20 3018 motion that FGIC had filed, originally set August 4th,
21 but the last time we were before you at the commencement of
22 the disclosure hearing, you asked the parties to meet and
23 confer on a hearing date. That hearing date will no longer be
24 necessary, as the agreement with respect to voting will be
25 embodied in the order proposed by the Oversight Board, and the

1 proposed amended order on solicitation procedures and voting
2 includes the resolution of our 3018 motion.

3 We will be filing an informative motion related to
4 that once the Court has entered the order that the Oversight
5 Board has proposed, assuming that you do. I do want, however,
6 to just note one point related to that.

7 Following the filing of FGIC's 3018 motion, the Ad
8 Hoc Group of FGIC Insured Bondholders had filed an informative
9 motion noting an inadvertent error in an exhibit that we had
10 included in the 3018 motion. It doesn't change the voting
11 rights under 301(c)(3)(B) of PROMESA that FGIC holds, but it
12 did overstate the amount of bonds that FGIC owns --

13 (Sound played.)

14 MR. SOSLAND: -- which is insured in three different
15 CUSIPs. And there is an exhibit to the order that the Board
16 has proposed that includes the correction that was requested
17 by the Ad Hoc Group of FGIC Bondholders.

18 That concludes my remarks, Your Honor. Thank you.

19 THE COURT: Thank you.

20 I just have a question regarding this reconciliation
21 or resolution of the 3018 motion with the new proposed order.
22 So am I to understand that the order on the Disclosure
23 Statement and Solicitation Procedures that the Board will
24 provide will also specifically provide for termination or
25 withdrawal of the 3018 motion, or will there be a separate

1 filing that -- and, frankly, I'm asking you this in part so
2 that we can keep this incredibly complex docket clear and
3 accurate. Will you be filing something that withdraws the
4 2018 motion and permits the clerk's office to terminate that
5 as an active contested matter?

6 MR. ROSEN: Your Honor, this is Brian Rosen.

7 If I could just briefly say, I note that in some of
8 your other orders that you've entered, you include usually a
9 last provision that says that, this order resolves all matters
10 associated with, and then you cite the specific ECF number.
11 We can include that type of language in the Solicitation
12 Procedures Order, that it will resolve the 2018 motions.

13 THE COURT: That would be very helpful indeed.

14 While you're back on, Mr. Rosen, with respect to the
15 revenue bond adversaries, I think the last urgent motion or
16 stipulation that I find in respect of those put out filing
17 deadlines, but kept the scheduled argument date on the
18 supplemental summary judgment provisions for the middle of
19 September. So will you be making a further filing that either
20 withdraws those motions or has them adjourned sine die?

21 MR. ROSEN: Your Honor, we're not dismissing the
22 motion itself, but we will be adjourning those, yes.

23 THE COURT: Okay. Very good. I just wanted to be
24 clear as to what to expect in that regard.

25 MR. ROSEN: Yes, Your Honor.

1 THE COURT: Thank you so much. Thank you all. So --

2 MR. SILVERMAN: Your Honor, this is -- excuse me.

3 This is Ronald Silverman from Hogan Lovells on behalf of U.S.

4 Bank.

5 May I briefly make a clarification regarding what
6 Mr. Sosland said and Mr. Rosen said earlier?

7 THE COURT: Yes, you may.

8 MR. SILVERMAN: Thank you, Your Honor.

9 Speaking on behalf of U.S. Bank with respect to its
10 role as the PRIFA Trustee, now that there has been a global
11 deal with respect to the PRIFA Rum Tax Bonds and the most
12 recent Sixth Amended Plan does now for the first time allow
13 those claims in the full amount that the FOMB is estimating
14 them at, I want to -- I thought it was helpful, as you said,
15 to make the docket efficient and not to clutter it, to make it
16 clear that, because there's an aggregate allowed amount of
17 claims for the PRIFA Rum Tax claims, that all holders of those
18 claims, whether they're monoline or non-monoline, potential
19 holders are entitled to vote their pro rata share of the
20 aggregate allowed claims.

21 And the reason I say that is the Disclosure Statement
22 Order, as I read it, does provide for that, because the claim
23 has been allowed in the Plan. But there's another part of it
24 that said if your claim has been objected to, then you have to
25 file a 3018. That's, of course, why FGIC and Ambac filed

1 3018s. But now that that's resolved, and the claim has been
2 allowed, I just wanted to get confirmation from the FOMB that
3 ballots will -- that ballots will be sent to beneficial
4 holders, just to clarify that no one needs to worry that they
5 need to actually file a 3018 in order to get their claim
6 allowed in the pro rata share of the allowed amount of the
7 aggregate PRIFA claim.

8 MR. ROSEN: Your Honor, this is Brian Rosen again.

9 That is correct. The ballots will be distributed
10 through the DTC, I believe, to all of the uninsured
11 bondholders, and they will be permitted to vote their PRIFA
12 Bond claims.

13 MR. SILVERMAN: Thank you very much.

14 THE COURT: Thank you both.

15 Is there anyone else who wanted to be heard before I
16 call on the objecting parties to speak? If so, say your name
17 now.

18 MR. GORDON: Yes, Your Honor. Robert Gordon of
19 Jenner & Block on behalf of the Retiree Committee. May I be
20 heard?

21 THE COURT: Good morning, Mr. Gordon.

22 MR. GORDON: Thank you, Your Honor.

23 I just wanted to comment very briefly in response to
24 the colloquy, as it were, of Mr. Bienenstock and
25 Mr. Rapisardi. As the Court knows, back in June of 2019, the

1 Retiree Committee entered into one of the very first plan
2 support agreements with the Oversight Board, which we would
3 submit was a very important document establishing a very
4 important baseline for further negotiations of the Plan that
5 is before the Court today. And we certainly -- the Retiree
6 Committee recognizes and respects its obligations under the
7 current Plan Support Agreement it has with the Board.

8 At the same time, I just want to make the record
9 clear that over the course of these past two years, we have
10 had our share of conversations with the legislature, the
11 Governor, and the Oversight Board to offer our assistance, our
12 expertise, our resources to bridge gaps and to provide
13 analysis, as needed, with respect to the issue of the
14 pensions. And we continue to stand by and stand ready to
15 provide that assistance, and hope that conversations, dialogue
16 will progress, and that the parties will reach out to us and
17 avail themselves of our perspectives and our analysis as those
18 discussions continue.

19 Thank you, Your Honor.

20 THE COURT: Thank you, Mr. Gordon.

21 Now I will call on counsel for the DRA parties
22 objecting, who have been allotted three minutes.

23 MR. MINTZ: Thank you, Your Honor. Doug Mintz from
24 Schulte Roth. Can you hear me okay? I don't have my usual
25 set-up unfortunately.

1 THE COURT: I can hear you just fine. Good morning,
2 Mr. Mintz.

3 MR. MINTZ: Good morning. Doug Mintz of Schulte Roth
4 on behalf of Cantor-Katz, along with McConnell Valdes on
5 behalf of AmeriNat for the DRA parties. I think I'll be
6 filling the entire time, although I don't know that I'll need
7 three minutes.

8 As the Court knows, you asked the Oversight Board
9 last week to explain their proposed treatment of the DRA's
10 secured PBA claim. As Mr. Rosen noted, they did add a
11 footnote, footnote 373, that purported to address it.

12 We reached out to them to flag our concerns about the
13 language, that it was stating as fact what we believe to be
14 their view. We asked them to make a few modifications and to
15 note our disagreement.

16 Resolution was not reached until after we had filed
17 our objection, but, as Mr. Rosen noted, they have modified the
18 language essentially along the lines we requested. That's
19 attached to their reply brief, which is, I believe, 17552 on
20 the docket. Those changed pages --

21 (Sound played.)

22 MR. MINTZ: -- that are attached to the reply brief
23 are satisfactory to the DRA parties, so our objection has been
24 addressed.

25 And, finally, we note that the Court has heard and

1 addressed a number of the concerns we raised last week with
2 respect to the discovery process. Our concerns, of course,
3 remain. The timeline is extremely tight, but we'll work
4 within the confines identified by the Court and raise any
5 issues for Judge Dein, should they arise.

6 So with that, unless you have any questions, I'll
7 step down.

8 THE COURT: Thank you very much, Mr. Mintz.

9 MR. MINTZ: Thank you, Your Honor.

10 THE COURT: And now counsel for Finca Matilde.

11 MR. CAPDEVILA DIAZ: Good morning, Your Honor. For
12 the record, Eduardo Capdevila on behalf of Finca Matilde.

13 THE COURT: Good morning, Mr. Capdevila.

14 MR. CAPDEVILA DIAZ: First of all, I would like to
15 thank Libbie Osaben from Proskauer for taking her time and for
16 her patience for doing the Agenda today and late last night.
17 Thank you very much.

18 Now, as for our position, our client at this point is
19 not questioning the feasibility of the proposed plan. Our
20 client is challenging the legality of the actions that the
21 Disclosure Statement proposes that the Board and the debtor
22 will do. That is not a factual matter, but a straightforward
23 issue of law: Can section 944 of the Bankruptcy Code, as
24 applicable to PROMESA, discharge or modify the debtors'
25 obligation to pay just compensation.

1 The Supreme Court has specifically stated that such
2 obligation to pay just compensation is irrevocable. My client
3 is not requesting damages, but, at this point, can PROMESA or
4 section 944 of the Bankruptcy Code modify the obligation to
5 pay just compensation of the 5th and 14th Amendment?

6 That is our position. If the Court would like, we
7 can address any questions or --

8 (Sound played.)

9 THE COURT: I do understand that that is your
10 position, and as I ruled last week, I have determined that
11 that position, including any question as to what constitutes
12 just compensation within the meaning of the constitutional
13 provisions and the effect of the Bankruptcy Code with respect
14 to that are matters properly taken up in connection with
15 confirmation.

16 So I do understand your legal position and your
17 argument. Thank you, Mr. Capdevila.

18 MR. CAPDEVILA DIAZ: Okay. Thank you.

19 THE COURT: Next I have counsel for Suiza Dairy for
20 one minute.

21 MR. GONZALEZ VALIENTE: Yes. Hi. Good morning, Your
22 Honor. Rafael Gonzalez Valiente in representation of Suiza
23 Dairy. We won't take long of the Court's time.

24 First, I would like to confirm Mr. Rosen's comments
25 that we are in conversations to try to settle our differences,

1 but we still need time for that. I also would like to -- Your
2 Honor, we simply want to make a reservation of rights and make
3 sure that the record shows our objections.

4 Since the treatment for Suiza Dairy didn't change in
5 the amended Disclosure Statement, we just wanted to restate
6 our objections that were raised to the prior Disclosure
7 Statement, and that both our written and oral objections be
8 deemed stated or reaffirmed before this Disclosure Statement.

9 Unless the Court has any questions for us, we are --
10 that's the only thing we wanted to say, Your Honor.

11 THE COURT: Thank you. Your objections and
12 reservation of rights are clear and as of record, and to the
13 extent that I overruled any objections as going to the
14 Disclosure Statements, I also made clear that arguments can be
15 made in respect of the application to confirm the Plan.

16 MR. GONZALEZ VALIENTE: Thank you, Your Honor.

17 And we understand -- we understand, and we just
18 wanted to make that reservation for the record. That's it.
19 Thank you, and that's it.

20 THE COURT: Very well. Thank you.

21 Now, Mr. Hein.

22 MR. HEIN: Yes. Your Honor, can you hear me?

23 THE COURT: Yes, I can.

24 MR. HEIN: Thank you.

25 THE COURT: Good morning, Mr. Hein.

1 MR. HEIN: Thank you. Good morning, Your Honor.

2 I will start with a significant new development that
3 Mr. Rosen did not mention. I learned yesterday afternoon that
4 the Oversight Board had posted on EMMA a notice to all holders
5 of uninsured GO and PBA bonds, telling all bondholders,
6 expressly including retail beneficial holders, they could join
7 the PSA by tendering their bonds for exchange into new CUSIPs.
8 And also telling all bondholders, including retail investors,
9 that unless they joined the PSA by 5:00 PM on Friday, August
10 13th, they would not be eligible to receive the PSA
11 restriction fee.

12 There was no prior disclosure that a PSA joinder
13 solicitation would go to retail investors. This PSA joinder
14 solicitation is not accompanied by the Disclosure Statement.
15 There's a link to the proposed Disclosure Statement, but of
16 course the Court has not approved that yet. And as Mr. Rosen
17 has acknowledged, the Disclosure Statement is going to change.

18 As Your Honor discussed with Mr. Rosen, the Oversight
19 Board has agreed, in response to my objections, to add to the
20 Disclosure Statement an illustrative chart showing the
21 distributions of each maturity of the new GO bonds and CVIs
22 that are going to be made to each bond class under the Plan,
23 presumably the same type of chart that they had in the COFINA
24 Offering Statement, so that investors can see what securities
25 they're actually going to receive per some round number, like

1 a hundred thousand par.

2 As I hear Mr. Rosen, the Oversight Board also appears
3 to agree that holders can retain their fractional one dollar
4 denomination bonds, and, respectfully, the Disclosure
5 Statement should be modified to state that expressly, that the
6 fractional one dollar denomination bonds can be retained by
7 investors.

8 This was a problem in the COFINA situation where
9 there were forced involuntary sales of fractional bonds
10 distributed in increments of less than one thousand par. So
11 they were fractional bonds, but they were forced sold. If the
12 Oversight Board has solved that problem that occurred with
13 COFINA, that's great. But the Disclosure Statement should be
14 clear on the point.

15 There's also a contradiction in the documents that is
16 not disclosed in this PSA joinder solicitation that just went
17 out. The new PSA joinder solicitation states it's open to all
18 bondholders, including retail bondholders, but the attached
19 PSA still provides in section 2.3 of the PSA, titled
20 Additional Parties, for -- the opportunity to join the PSA to
21 be extended only to holders in excess of one million par.

22 So the PSA joinder solicitation is inconsistent with
23 the terms of the PSA, limiting joinders to people with a
24 million par or more, and also inconsistent with the plan
25 structure that sets up eight retail classes for those holding

1 one million or less.

2 The PSA joinder solicitation states it's not a
3 solicitation of acceptance of the Plan, but anyone who joins
4 the PSA is, under section 5.1 of the PSA, committed to support
5 confirmation of the Plan. So this, in substance, is a
6 solicitation of acceptance of the Plan.

7 If a retail investor joins, does the Oversight Board
8 say that the retail investor can still vote no? By setting
9 this August 13th deadline for retail investors to join the
10 PSA, the Oversight Board seeks to require a decision by retail
11 investors who do not even have an approved Disclosure
12 Statement, before the Court even considers my pending and
13 fully briefed renewed motion to have a committee appointed for
14 the eight retail classes.

15 I ask that any deadline for joinder of the PSA should
16 be put off to a future date after the motion to appoint a
17 retail investor committee is heard. It's currently scheduled
18 for August 18th, because I had a travel issue at the time it
19 was scheduled. My travel plans have changed, and if it helps
20 Your Honor, I'd be willing to have this heard on August 4th,
21 in order to permit Your Honor to address that motion before
22 this August 13th deadline given to retail investors on the
23 joinder of the PSA.

24 Your Honor, there is just no reason for an August
25 13th deadline, no reason to force individuals to be making

1 that decision before there's even a disclosure statement
2 approved by the Court, before the Disclosure Statement is
3 finalized and distributed. And, you know, also, this joinder
4 solicitation should not go forward --

5 (Sound played.)

6 MR. HEIN: -- until the PSA is clarified as to whether
7 or not retail investors being solicited to join actually can
8 consistent with the terms of the PSA.

9 Turning to the additional objections in docket 17536
10 that have not been addressed, item ten in the Court's Order
11 required the Oversight Board, as Your Honor noted, to disclose
12 any effect on marketability, as well as the rationale. Yet,
13 still, nothing is said in the Disclosure Statement on the
14 subject of marketability.

15 And, secondly, the Court's Order specifically
16 instructed in item 10 there be a disclosure of the rationale
17 for structuring distributions using multiple kinds and
18 maturities of bonds. That, too, has been ignored. The
19 Oversight Board says the new bonds will be term bonds with
20 mandatory Sinking Fund, but the critical question is, why not
21 just distribute to the investors in the 50 states one term
22 bond with the Sinking Fund that would be marketable. One term
23 bond with the Sinking Fund is what is being given to Puerto
24 Rico investors who elect the Puerto Rico investor option.
25 There is no disclosure or rationale for why 12 splinter bonds

1 are being issued to investors in the 30 states.

2 The fact that an existing bondholder may have, for
3 example, one 2033 maturity, that one bond position, the fact
4 that there might be out there a bunch of different maturities,
5 if the investor has one maturity, say, 2033, why should they
6 be receiving 12 splinter bonds each with its own maturity
7 ranging from 2023 to 2046, as opposed to one term bond with
8 the Sinking Fund. There's no disclosure of the rationale for
9 that.

10 Finally, briefly on the subject of the tax
11 treatment --

12 (Sound played.)

13 MR. HEIN: -- I appreciate -- if I may just finish
14 the thought, Your Honor?

15 THE COURT: Yes.

16 MR. HEIN: I appreciate the Oversight Board's
17 willingness to provide an update at the confirmation hearing,
18 but there is no reason given for why the Oversight Board can't
19 provide public updates through EMMA or its website as
20 information becomes available, including information becoming
21 available before the confirmation hearing.

22 Thank you, Your Honor.

23 THE COURT: Thank you, Mr. Hein.

24 And now I return to the Oversight Board's counsel to
25 respond.

1 MR. ROSEN: Thank you very much, Your Honor. This is
2 Brian Rosen again from Proskauer Rose.

3 First let me address the retailer investor comment,
4 and that was expressly put in at the request of Mr. Hein,
5 because of some of the things that he made at the prior
6 hearing about retail investors not having an opportunity to do
7 something. He misinterprets for the Court what is actually
8 being done.

9 Your Honor, as part of the Amended and Restated Plan
10 Support Agreement that was done with the GO PBA holders, we
11 made available to everyone, the retail investors as well,
12 through a change in the terms of what is referred to as the
13 PSA restriction fee, the opportunity for people to
14 participate. And by no means, however, does this tender and
15 exchange preclude retail investors from participating in the
16 PSA restriction fee.

17 Specifically, Your Honor, the need to do the tender
18 and exchange is because we need to be able to create an
19 alternate CUSIP number that can be tracked and that we can
20 actually understand who is going to be the recipient of a PSA
21 restriction fee. By including retail investors, which is
22 something that Mr. Hein asked for, we're providing for them
23 the opportunity to do that as well.

24 What the Plan that was filed the other day does is it
25 says that anybody, any retail investor who decides to do the

1 tender and exchange pursuant to section 2.2 of the Amended and
2 Restated Plan Support Agreement, they will no longer be
3 considered to be a retail investor for purposes of the Plan.
4 They will instead then be included in the overall class.

5 Taking as an example a vintage Commonwealth Bond
6 claim, if they were a retail investor in that class, they
7 would then become an actual member of that larger grouping,
8 but that does not mean that those that do not respond to the
9 tender and exchange will lose out on the opportunity to be a
10 recipient of the restriction fee.

11 Specifically, Your Honor, the plan that was filed on
12 Tuesday morning still includes the opportunity for those
13 retail investors to receive the PSA restriction fee, in the
14 event that their retail investor class votes to accept the
15 Plan. In the event that they do not, then the amount of PSA
16 restriction fee that otherwise would be allocable to that
17 retail investor class will revert to the initial PSA
18 creditors.

19 And that, Your Honor, has been, as part -- it was in
20 the Fifth Amended Plan, but we modified it in the sixth to
21 make sure that retail investors had that opportunity to get in
22 now in the first instance, as Mr. Hein had requested in his
23 prior objection to the Disclosure Statement.

24 So there has been no change. There has been no
25 preclusion. And Mr. Hein can certainly still seek to

1 represent or have appointed a retail investor class at that
2 August 18th hearing, Your Honor. There is nothing that has
3 changed.

4 We're doing this because we needed to deal with the
5 tender and exchange, and the creation of the alternate CUSIPs,
6 and have that done in a time frame so that we can then
7 continue the actual solicitation of votes pursuant to the
8 Commonwealth Plan of Adjustment, Your Honor. Because until
9 you do that, you cannot actually send out the solicitation
10 materials.

11 So we had to stagger and have the tender and exchange
12 done first, and that will be done by August 13th. And I think
13 the settlement date is then August 17th. And then the Plan
14 solicitation materials will be sent out by Prime Clerk
15 subsequent to that settlement date.

16 You cannot have one without first achieving the
17 tender and exchange, Your Honor. So that is why they are
18 staggered. There is no prejudice to retail investors. They
19 can still do it. If they don't do it in the first instance,
20 they can still vote in support of the Plan. And if that class
21 votes, they get their allocable share of the PSA restriction
22 fee, Your Honor.

23 I hope that addresses the concern.

24 THE COURT: Well, what do you say to Mr. Hein's
25 argument that by asking people to join the PSA and do this

1 CUSIP tender, you are effectively requiring them to vote early
2 on the basis of documents that are not final or approved by
3 the Court?

4 MR. ROSEN: Your Honor, that's the same sort of
5 provision -- I mean, it is what is in the current, amended,
6 and the stated Plan Support Agreement, Your Honor,
7 specifically Article 5. It talks about -- or section 5.2 of
8 that Plan Support Agreement, it talks about it not being a
9 solicitation.

10 But yes, Your Honor, if people do want to get that
11 solicitation -- excuse me, that restriction fee, they do need
12 to support the Plan. That is a standard provision, and it is
13 in all the plan support agreements.

14 THE COURT: The solicitation that will go out under
15 the new CUSIP will still require the filing of a ballot by
16 someone who tenders for the new CUSIP, so there will still be
17 a separate vote? If they vote negatively, they won't get the
18 additional fees; is that correct?

19 MR. ROSEN: That is correct, Your Honor. We will
20 know, because we -- if they had tendered an exchange pursuant
21 to the notice that is out there on EMMA and they are receiving
22 through DTC, we will be able to track that CUSIP. We will
23 know if, in fact, they continue to comply, and if they don't,
24 then their vote won't count and they will not be entitled to
25 the restriction fee.

1 THE COURT: All right. So they still have the
2 opportunity to vote against the Plan, but they wouldn't be
3 getting the restriction fee, because they're not supporting
4 the Plan?

5 MR. ROSEN: Yes, Your Honor. Yes.

6 THE COURT: Thank you.

7 MR. HEIN: Your Honor.

8 THE COURT: Let me let Mr. Rosen make any further
9 responses to the objections, and then I will hear you again,
10 Mr. Hein.

11 MR. ROSEN: Yes, Your Honor. The balance of
12 Mr. Hein's comments are things that we've already addressed,
13 including the jumbo note that he is looking for. We really
14 -- as we indicated in the reply, that is just something that
15 we cannot do, and we think it would be inappropriate based
16 upon the circumstances.

17 We have done everything that we think possible to
18 address Mr. Hein's concerns, either in the modifications that
19 we've already reflected in the Disclosure Statement, as well
20 as the chart that I indicated we will be including. It is
21 some -- I don't want to say it's a voluminous chart, but it
22 does provide all of the information that Mr. Hein has been
23 asking for, and it is consistent with the chart that was
24 included in the COFINA Disclosure Statement.

25 With that, Your Honor, I would turn it back to you

1 and to Mr. Hein.

2 THE COURT: Thank you.

3 Mr. Hein.

4 MR. HEIN: Yes. I think, Your Honor, respectfully,
5 the fact that retail investors are being forced to make a
6 decision by August 13th, without a Disclosure Statement, is
7 just not appropriate. It renders this whole process we've
8 been going through on the Disclosure Statement totally
9 academic, if that is permitted to stand.

10 And there is no earthly reason that, first, this
11 should not have been surfaced, and beyond my having to
12 belatedly notice that they were posting something on EMMA.
13 And, secondly, people are entitled to a full Court approved
14 Disclosure Statement before they're forced to make that
15 decision.

16 An individual is effectively being told, if you want
17 to be sure to get the 1.321 percent that other investors are
18 getting, you have to make your decision by August 13. If you
19 don't, you run the risk you aren't going to get that. And if
20 you do opt to join the PSA, you now are -- voted yes.

21 This is not giving people a choice. It's not giving
22 them full disclosure. It's not giving me full disclosure.
23 But also, many, many thousands of individuals are being forced
24 into this rushed choice by August 13th without full
25 disclosure, and this has never been on the table before. It

1 is certainly not something I, in any way, requested, forcing
2 people into making a decision without full disclosure with an
3 August 13th deadline.

4 And respectfully, I think, Your Honor, the proper
5 approach here would be to address my motion to have a retail
6 investor committee. I am willing to have that argued August
7 4th in order to get it resolved on a timely basis. And I
8 think that this is the type of issue -- this is exactly why we
9 need a retail investor committee in this case, so that there
10 is a body that has a fiduciary duty to these thousands of
11 individuals who can address issues, and have a dialogue on
12 issues like this, and hopefully reach some resolution that is
13 fair and appropriate to these thousands and thousands of
14 individuals, including me.

15 Thank you, Your Honor.

16 THE COURT: Thank you.

17 Mr. Rosen, would you explain again the voting
18 procedure for people who elect to get the new CUSIP? Does
19 that automatically vote their interest in favor of the Plan or
20 do they still have to cast a ballot?

21 MR. ROSEN: Your Honor, by tendering and exchanging,
22 they essentially are signing the joinder to the Amended and
23 Restated Plan Support Agreement, which says that they will
24 vote in favor. That does not, however, actually cast the
25 ballot. They then still have the opportunity to cast the

1 ballot. And if they decline to do so in the way that they've
2 agreed pursuant to the joinder agreement, we will take note of
3 that. And as I indicated, Your Honor, they then would not be
4 entitled to the fee itself.

5 The benefit of doing the tender and exchange is that
6 we will be able to track those, just like we will be able to
7 track the countless other people who have signed joinders
8 already to that Plan Support Agreement and who want to be
9 included in that PSA restriction fee. We're able to track it.
10 Because in the absence of the tender and exchange, Your Honor,
11 if there were subsequent trades made, we wouldn't be able to
12 track who was the actual holder, who was entitled to the PSA
13 restriction fee.

14 It's a necessity to create the alternate CUSIP, and
15 so that's why we've gone through this process, Your Honor, to
16 effectively monitor who is entitled to the fees.

17 MR. HEIN: Your Honor, this is Peter Hein.

18 THE COURT: Hi.

19 MR. HEIN: If I may just -- you know, what you're
20 basically doing, first, is if someone, in order to ensure they
21 get the fee that they certainly should get, accepts by August
22 13th, that then means that they would be violating their
23 contract if they vote no. So if -- they don't have the choice
24 of violating the contract and voting no. That's not a choice.

25 Secondly, what Mr. Rosen just said is that you're

1 going to have separate CUSIPs. So if, hypothetically, John
2 Smith accepts by August 13th, gets the new CUSIPs on August
3 17th, and then on August 20th, John Smith -- and, you know,
4 you've got thousands of individuals. They're not going to be
5 focused on stuff like this. John Smith sells that CUSIP to
6 Mary Jones, and down the line the Oversight Board is saying
7 that if John Smith ends up voting no, Mary Jones, who has the
8 new CUSIP, is going to have her fee taken away.

9 I mean, this is -- we're talking thousands of
10 individuals here of not being adequately informed, and
11 certainly not being told what we're discussing now. I mean,
12 this is going to be just really inappropriate for these
13 individuals. It's exactly why we need a retail investor
14 committee, to have a discussion with the Oversight Board, to
15 have a coherent procedure that is accepted by somebody who can
16 actually speak for these thousands of individuals.

17 Thank you.

18 THE COURT: Thank you.

19 Anything further, Mr. Rosen?

20 MR. ROSEN: No, Your Honor, other than to say that I
21 think Mr. Hein misunderstands the process. And that's all
22 I'll say, Your Honor.

23 THE COURT: Thank you.

24 I will take under advisement the request to move up
25 the argument date for the retail investor committee.

1 Mr. Rosen, did you want to say anything about that in
2 particular?

3 MR. ROSEN: Your Honor, we -- as Mr. Hein indicated,
4 we had scheduled it for April 18th to --

5 THE COURT: August 18.

6 MR. ROSEN: I'm sorry. August 18th. Thank you, Your
7 Honor. To accommodate him in his travel plans. If, in fact,
8 the Court wants to do it on August 4th at the Omnibus Hearing
9 date, we're happy to do that as well.

10 THE COURT: I will take that under advisement and
11 issue an order as promptly as possible indicating whether it
12 is to be added next week or not.

13 All right. Now, we turn to the confirmation --
14 sorry, yes, the confirmation procedures motion, except
15 actually there was one -- yes, there was one further -- we
16 turn to the Solicitation Procedures Motion, and before I hear
17 argument on the solicitation procedures aspect of the motion,
18 I want to note that I had directed the Oversight Board to
19 include a provision that, on a request for a paper copy of the
20 Disclosure Statement or Plan, Prime Clerk had to, within one
21 business day of receiving the request, deposit them with a
22 postal or shipping service on second day delivery at the
23 slowest. I did not see that in the current version of the
24 proposed order approving the solicitation procedures.

25 MR. ROSEN: Your Honor, this is Brian Rosen. I

1 apologize. I thought that was included.

2 I have Mr. Ma on the phone as well, who can verify if
3 it was or was not included, but if it was not included, we
4 certainly will make that change.

5 THE COURT: All right. Then, Mr. Ma?

6 MR. MA: This is Steve Ma with Proskauer Rose. Good
7 morning, Your Honor.

8 THE COURT: Good morning.

9 MR. MA: I apologize. I understood that your Order
10 directing the Oversight to do so was the Order itself, but we
11 can include in the Disclosure Statement Order that language.

12 THE COURT: Very good. Please do so.

13 Now the Oversight Board is allocated six minutes for
14 remarks in respect of the solicitation procedures.

15 MR. ROSEN: Your Honor, again, this is Brian Rosen,
16 and I'll turn it to Mr. Ma in a second. But it is our
17 understanding that no additional objections had been
18 interposed to the Solicitation Procedures Order, and that we
19 had addressed all of these issues last week. And we had made
20 corresponding changes based upon the Court's Order to the
21 Solicitation Procedures Order.

22 And with that, I'll turn it to Mr. Ma.

23 THE COURT: Thank you.

24 MR. MA: Again, for the record, Steve Ma of Proskauer
25 Rose.

1 The major changes to the Disclosure Statement Order
2 are to, first, conform to the new Plan of Adjustment with
3 respect to the Ambac and FGIC voting and elections, including
4 new ballots and election notices as applicable. We also made
5 certain changes regarding the UCC Committee's letter to be
6 distributed in paper format to the applicable classes.

7 We also made some changes to clarify that the
8 claimants in the ADR process would be eligible to vote, while
9 maintaining the provision that those under the ACR process
10 would not, including providing notice to those individuals in
11 the ADR process and those individuals for whom we've filed
12 claim objections.

13 We've also provided a form of Rule 3018 motion, which
14 will be available on the Prime Clerk website.

15 And with those changes, we believe we've addressed
16 the Court's and various parties' comments, and I'll end there
17 unless the Court has any further questions.

18 THE COURT: I do not. Thank you, Mr. Ma.

19 So now the Confirmation Procedures Motion. I have 13
20 minutes requested by the Oversight Board for remarks.

21 MR. ROSEN: Your Honor, again, this is Brian Rosen
22 for Proskauer Rose.

23 Your Honor, we did receive your comments with respect
24 to the Confirmation Discovery Procedures Order. I will turn
25 it over to Ms. Stafford in a moment, but just to say that we

1 have not seen any further responses or objections to what we
2 have done and in response to what the Court requested.

3 So, Your Honor, with that, I will turn it over to
4 Ms. Stafford just to go through the changes, just like Mr. Ma
5 did.

6 THE COURT: Thank you.

7 Ms. Stafford.

8 MS. STAFFORD: Thank you, Your Honor, and thank you
9 Mr. Rosen. This is Laura Stafford at Proskauer Rose on behalf
10 of the Financial Oversight and Management Board for Puerto
11 Rico.

12 I wanted to start by thanking Your Honor for your
13 guidance and your patience with us as we work to implement the
14 Court's guidance in the Revised Procedures Order over the past
15 week and change. In compliance with the Court's most recent
16 order on July 27th, we filed a Further Amended Confirmation
17 Procedures Motion yesterday afternoon -- or, apologies, our
18 Further Amended Confirmation Procedures Order yesterday
19 afternoon. That order reflects various of the changes the
20 Court had requested, including the addition of
21 interrogatories, the addition of the notice of intent to
22 participate in discovery, as well as the discovery notices,
23 and the various other changes to the schedule that the Court
24 had requested in an Order from July 15th and July 20th.

25 As Mr. Rosen noted, no further objections were

1 received, and we understand Ambac and FGIC will not be
2 advancing their objections today. And so we'd request the
3 Court enter the proposed order as filed yesterday, unless the
4 Court has any further questions or modifications that it
5 requests at this time.

6 THE COURT: Thank you. I have no further questions
7 at this time.

8 Is there anyone else who wishes to be heard on these
9 matters before we all take just two minutes of quiet while I
10 reflect in advance of making a ruling? If you want to say
11 something, say your name now.

12 (No response.)

13 THE COURT: All right. So I'm just asking that
14 everybody sit quietly, and shortly I will make the ruling.

15 Thank you for your patience. I will now make my
16 rulings concerning the two motions, and this ruling will
17 include the direction for one clarification in the Amended
18 Proposed Confirmation Procedures Order.

19 I will now make the rulings concerning the two
20 motions before the Court, the *Amended Joint Motion of the*
21 *Commonwealth of Puerto Rico, the Employees Retirement System*
22 *of the Government of the Commonwealth of Puerto Rico, and the*
23 *Puerto Rico Public Buildings Authority for an Order (I)*
24 *Approving Disclosure Statement, (II) Fixing Record Dates,*
25 *(III) Approving Confirmation Hearing Notice and Confirmation*

1 || *Schedule, (IV) Approving Solicitation Packages and*
2 || *Distribution Procedures, (V) Approving Forms of Ballots, and*
3 || *Voting and Election Procedures, (VI) Approving Notice of*
4 || *Non-Voting Status, (VII) Fixing Voting, Election, and*
5 || *Confirmation Deadlines, and (VIII) Approving Vote Tabulation*
6 || *Procedures* (Docket Entry No. 16756 in Case No. 17-3283, and
7 || I'll refer to that as the "Disclosure Statement Motion"), and
8 || the second motion is the *Motion of Debtors for an Order*
9 || *Establishing, Among Other Things, Procedures and Deadlines*
10 || *Concerning Objections to Confirmation and Discovery in*
11 || *Connection Therewith*, (Docket Entry No. 16757 in Case No.
12 || 17-3283, which I'll refer to as the "Confirmation and
13 || Discovery Motion").

14 The Court previously made rulings concerning these
15 two motions on the record on July 14th, 2021, and those
16 rulings have been memorialized, clarified, and amended by
17 certain written orders issued by the Court. I assume
18 familiarity with those rulings and will not repeat them today.

19 The Court has reviewed carefully the Sixth Amended
20 Plan of Adjustment and the Disclosure Statement for the Sixth
21 Amended Plan of Adjustment, as well as the objections filed
22 with respect to the revisions, and the Court has listened
23 carefully to all of the remarks and arguments made here today.

24 The Disclosure Statement Motion requires the Court to
25 address two questions: The first question is, in short,

1 whether the proposed Disclosure Statement provides information
2 sufficient to permit a hypothetical creditor or investor to
3 make an informed judgment about the proposed Plan of
4 Adjustment. That standard is laid out in section 1125 of the
5 Bankruptcy Code, 11 U.S.C. § 1125. With the revisions
6 reflected in the Disclosure Statement for the Sixth Amended
7 Plan of Adjustment that the Oversight Board filed on July 27,
8 and the additional correction and supplementation that have
9 been discussed on the record today and were outlined in the
10 exhibit to the reply papers of the Oversight Board, the Court
11 is satisfied that the Disclosure Statement provides adequate
12 information subject to such supplementation and correction as
13 has been laid out on the record earlier this morning. The
14 second question is whether the proposed Plan of Adjustment is
15 patently unconfirmable on its face. The Court addressed and
16 preliminarily overruled objections concerning the
17 confirmability of the Plan of Adjustment on the record on July
18 14th.

19 Accordingly, the Court now, for the reasons and to
20 the extent stated on the record at the July 14th hearing,
21 overrules the objections to the Disclosure Statement Motion,
22 and to the extent that certain objections were sustained on
23 July 14th, the issues raised in those objections have been
24 satisfactorily addressed such that any remaining objections
25 are now overruled, and the Disclosure Statement is approved

1 subject to the filing of further revised materials addressing
2 the issues discussed on the record today.

3 The Court has also carefully considered the various
4 procedural aspects of the Disclosure Statement Motion and the
5 Confirmation and Discovery Motion. On July 14th and July
6 27th, the Court directed the Oversight Board to amend those
7 procedures to address certain issues, and with one exception,
8 the Oversight Board has done so in accordance with the Court's
9 Orders or undertaken to complete doing so.

10 Today, the Oversight Board has undertaken to include
11 a provision for rapid delivery of requested paper materials in
12 the revised order, and the Court will look forward to that
13 addition in the revised order.

14 The Court has one further revision to the Amended
15 Proposed Confirmation Procedures Order that was filed by the
16 Oversight Board at Docket Entry Number 17548-1 in Case Number
17 17-3283. Paragraph 5 of the proposed order strikes the Court
18 as rather unclear and confusing in its current iteration, and
19 so I am directing that paragraph 5 be revised to state as
20 follows: "Eligible Creditors who File a Notice of Intent to
21 Participate in Discovery on or before October 19, 2021, shall
22 be able to access documents in the Plan Depository. Eligible
23 Creditors who File a Notice of Intent to Participate in
24 Discovery on or before August 15th, 2021, shall also be able
25 to participate in other discovery, including serving their own

1 discovery requests, as set forth below in the schedule listed
2 above -- I'm sorry, as set forth in the schedule listed above
3 and in paragraphs 10 through 16 below. Eligible Creditors who
4 do not file a Notice of Intent to Participate in Discovery may
5 still file an Objection to confirmation of the Plan on or
6 before October 19, 2021."

7 That is the revision of paragraph 5.

8 The Court will enter appropriate orders approving the
9 Disclosure Statement and the related procedures and granting
10 the Confirmation and Discovery Motion upon the filing of a
11 further revised Disclosure Statement satisfactorily addressing
12 the issues discussed earlier and orders reflecting the
13 revisions that have been directed and undertaken. Counsel to
14 the Oversight Board must provide Word versions of its proposed
15 orders to chambers promptly via e-mail once the final
16 revisions have been settled -- have been made.

17 Are there any other matters that need to be addressed
18 today? I will wait 30 seconds for anyone to state their name.

19 I hear someone unmuting. So who is that?

20 MR. ROSEN: Your Honor, this is Brian Rosen. I
21 unmuted just to say thank you very much, and we have nothing
22 further to be handled today.

23 THE COURT: Thank you, Mr. Rosen.

24 Anyone else?

25 (No response.)

1 THE COURT: Very well. This concludes the hearing
2 Agenda for this hearing. I thank all counsel for their
3 arguments, their remarks, and all of the work with each other
4 and with their clients that have brought us to this very
5 significant day.

6 The next hearing is the August 4th Omnibus Hearing,
7 which is scheduled for August 4th, 2021. The hearing will
8 begin at 9:30 AM Atlantic Standard Time. Dial in and other
9 instructions have been provided in a procedures order filed
10 earlier this week, and I will indicate by an order filed quite
11 soon whether Mr. Hein's motion for a committee will be
12 considered as a part of that Omni Hearing. And the Omni
13 Hearing is scheduled for August 4th to 5th.

14 As always, I thank the court staff for their
15 continuing excellence and dedicated work, and I wish everyone
16 safety and good health. We are adjourned.

17 Thank you.

18 (At 12:13 PM, proceedings concluded.)

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1 U.S. DISTRICT COURT)

2 DISTRICT OF PUERTO RICO)

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4 I certify that this transcript consisting of 65 pages is
5 a true and accurate transcription to the best of my ability of
6 the proceedings in this case before the Honorable United
7 States District Court Judge Laura Taylor Swain, and the
8 Honorable United States Magistrate Judge Judith Gail Dein on
9 July 29, 2021.

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13 S/ Amy Walker

14 Amy Walker, CSR 3799

15 Official Court Reporter

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